

EDICO Holdings Limited

鉅京控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

Stock code : 8450

* For identification purpose only



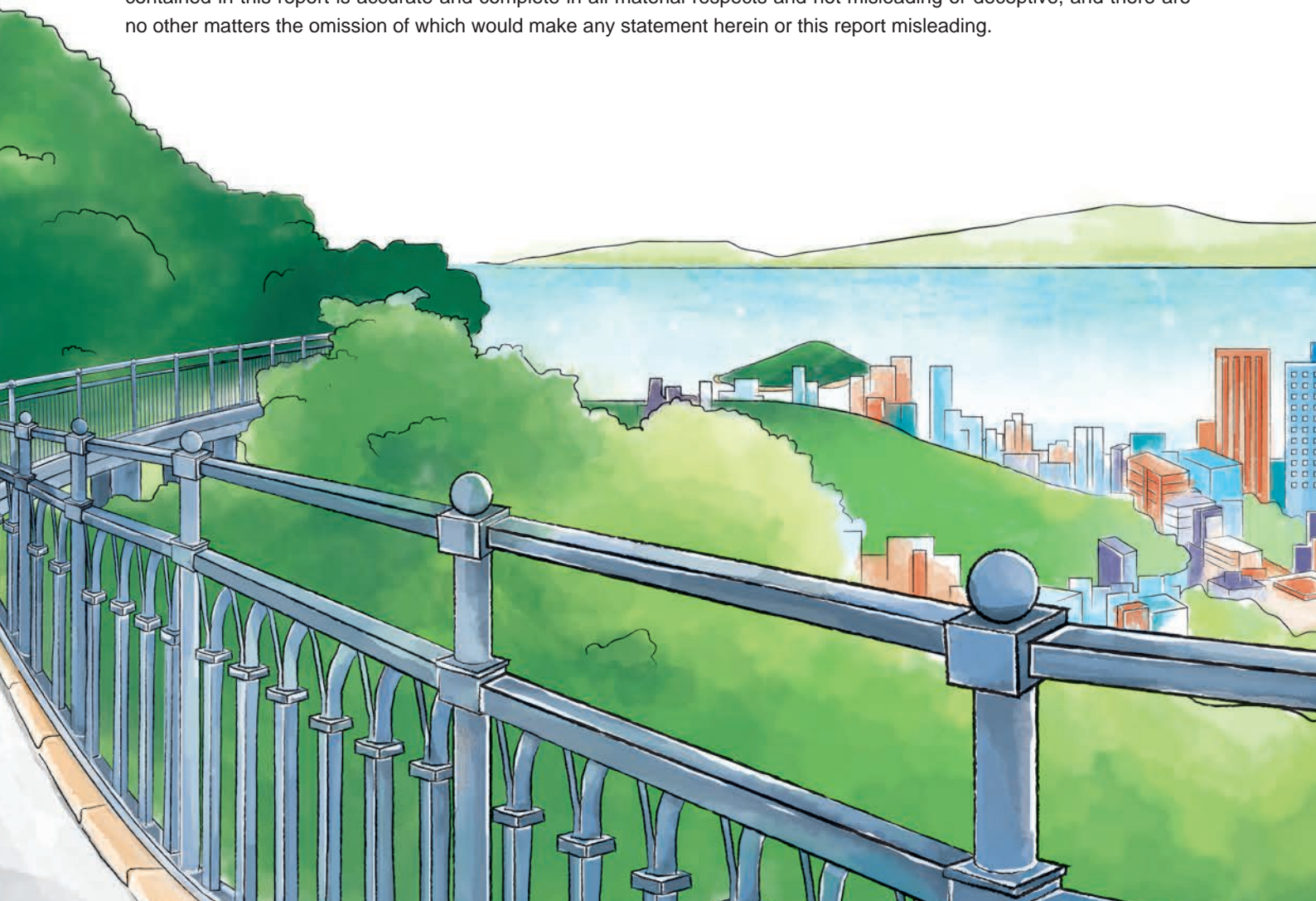
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This report, for which the directors of EDICO Holdings Limited (the "**Company**" or "**EDICO**" and the "**Directors**", respectively) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.



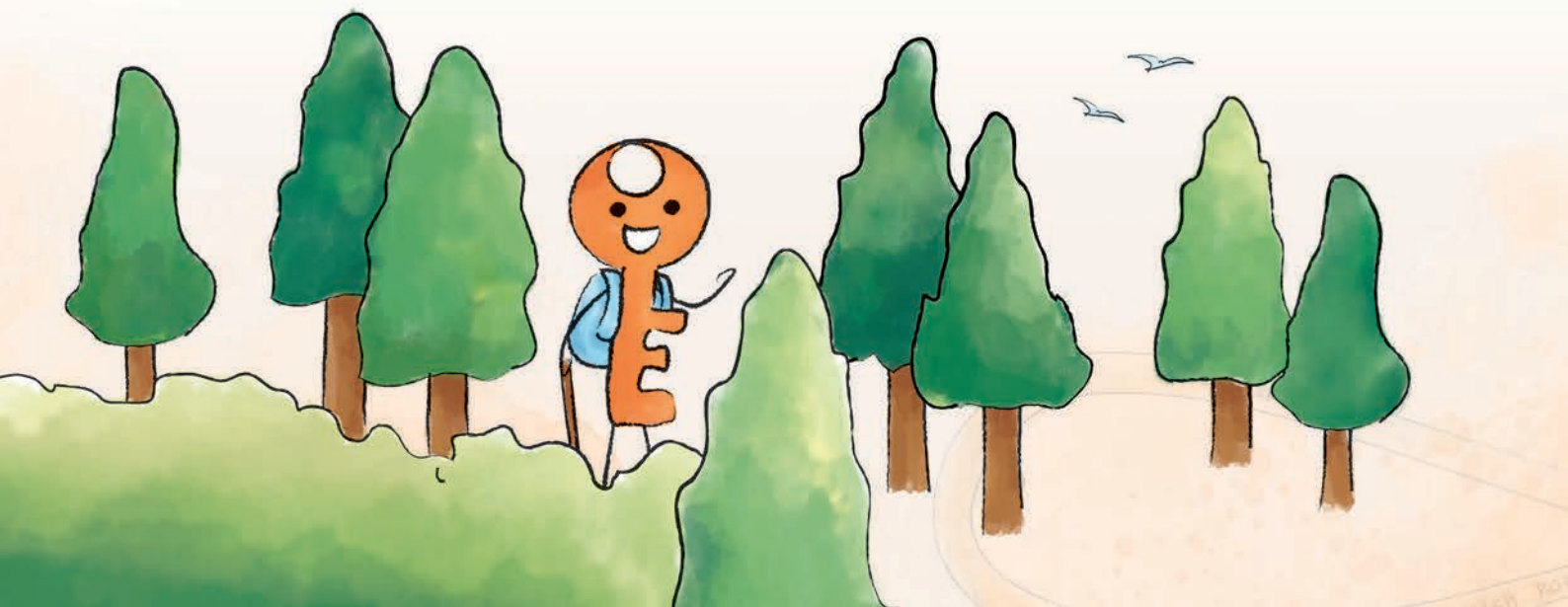
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FINANCIAL HIGHLIGHTS

- The Group's unaudited revenue for the three months ended 31st December 2020 amounted to approximately HK\$14.0 million, increased by approximately 17.6% as compared to that of the same period in 2019.
- The Group's unaudited gross profit for the three months ended 31st December 2020 amounted to approximately HK\$7.7 million, increased by approximately 30.5% as compared to that of the same period in 2019.
- The Group recorded an unaudited net profit of approximately HK\$1.4 million for the three months ended 31st December 2020, while the Group had a net loss of approximately HK\$2.0 million for the same period in 2019.
- The basic earnings per share for the three months ended 31st December 2020 was HK0.14 cent (three months ended 31st December 2019: basic loss per share of HK0.20 cent).
- The board of Directors (the "Board") has resolved not to declare the payment of any dividend for the three months ended 31st December 2020 (HK\$Nil for the three months ended 31st December 2019).



FIRST QUARTERLY RESULTS

The Board announces the unaudited condensed consolidated financial results of the Group for the three months ended 31st December 2020, together with the relevant comparative figures. The information should be read in conjunction with the prospectus of the Company dated 23rd January 2018 (the “**Prospectus**”). The financial information is as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months ended 31st December 2020

	Note	For the three months ended 31st December	
		2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
Revenue	4	13,994	11,942
Cost of services		(6,328)	(6,061)
Gross profit		7,666	5,881
Other income	6	1,038	44
Selling and distribution expenses		(643)	(636)
Administrative expenses		(6,470)	(6,976)
Finance costs		(185)	(314)
Profit/(Loss) before tax		1,406	(2,001)
Income tax expense	7	—	—
Profit/(Loss) and total comprehensive income/(loss) for the period attributable to the owners of the Company	8	1,406	(2,001)
		HK cent	HK cent
Earnings/(Loss) per share			
Basic and diluted	10	0.14	(0.20)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31st December 2020

	Attributable to owners of the Company					
	Share Capital HK\$'000 (Note i)	Share Premium HK\$'000 (Note ii)	Capital Reserve HK\$'000 (Note iii)	Merger Reserve HK\$'000 (Note iv)	Retained Earnings HK\$'000	Total HK\$'000
At 1st October 2020 (audited)	10,000	36,735	5,074	16	21,011	72,836
Profit and total comprehensive income for the period	—	—	—	—	1,406	1,406
At 31st December 2020 (unaudited)	10,000	36,735	5,074	16	22,417	74,242
At 1st October 2019 (audited)	10,000	36,735	5,074	16	16,914	68,739
Loss and total comprehensive loss for the period	—	—	—	—	(2,001)	(2,001)
At 31st December 2019 (unaudited)	10,000	36,735	5,074	16	14,913	66,738

Notes:

- (i) The Company is a limited liability company incorporated in the Cayman Islands on 20th May 2016 with an authorised share capital of HK\$380,000 divided into 38,000,000 ordinary shares of HK\$0.01 each. On the date of its incorporation, 1 ordinary share was issued, nil paid, to the subscriber.
- (ii) The balance in share premium account was resulted from the capitalisation issue and the initial public offering completed in February 2018.
- (iii) The capital reserve of the Group represented the difference between the cost of investment and the issued share capital of a subsidiary.
- (iv) The merger reserve of the Group arose as a result of the reorganisation of the Group completed on 16th January 2018 (the "Reorganisation") in preparation for the listing of the shares of the Company (the "Shares") in issue on GEM and represented the difference between the nominal value of new Shares issued for the exchange of the issued shares of the subsidiary under the Reorganisation and the carrying amount of its share of the subsidiary's own equity items.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31st December 2020

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands under the Companies Law of the Cayman Islands and registered as an exempted company with limited liability on 20th May 2016 and its issued Shares were initially listed on GEM on 2nd February 2018 (the “**Listing Date**”). The address of the Company’s registered office is at the offices of Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Company’s principal place of business is located at 8/F., Wheelock House, 20 Pedder Street, Central, Hong Kong. In the opinion of the Directors, the parent and the ultimate holding company of the Company is Achiever Choice Limited (“**Achiever Choice**”), a company incorporated in the British Virgin Islands (the “**BVI**”). The ultimate controlling shareholder of the Company is Mr. Chan Tsang Tieh (“**Mr. Chan**”) as of the date of this report. Mr. Chan is also the chairman of the Board (the “**Chairman**”) and an executive Director.

The Company is an investment holding company and its principal subsidiaries are principally engaged in the provision of financial printing services in Hong Kong.

The unaudited condensed consolidated financial statements of the Group for the three months ended 31st December 2020 (the “**Unaudited Condensed Consolidated Financial Statements**”) are presented in Hong Kong Dollars (“**HK\$**”) which is also the functional currency of the Company and all values are rounded to the nearest thousand (“**HK\$’000**”) unless otherwise stated.

2. BASIS OF PREPARATION

The Unaudited Condensed Consolidated Financial Statements have been prepared in accordance with the Hong Kong Financial Reporting Standards (the “**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure requirements of the GEM Listing Rules.

The accounting policies and methods of computation used in the preparation of the Unaudited Condensed Consolidated Financial Statements are consistent with those adopted in preparing the annual financial statements of the Group for the year ended 30th September 2020.

The Unaudited Condensed Consolidated Financial Statements have been prepared under the historical cost basis.

On 1st October 2020, the Group adopted all the new and revised HKFRSs, amendments and interpretations that were effective from that date and were relevant to its operations. The adoption of these new and revised HKFRSs, amendments and interpretations does not result in changes to the Group’s accounting policies and has no material effect on the amounts reported for the current or prior period.



3. APPLICATION OF NEW AND REVISED HKFRSs

AMENDMENTS TO HKFRSS THAT ARE MANDATORILY EFFECTIVE FOR THE CURRENT PERIOD

Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform
Amendments to HKFRS 16	Covid-19-Related Rent Concessions
Amendments to HKAS 1 and HKAS 8	Definition of Material
Conceptual Framework for Financial Reporting 2018	Revised Conceptual Framework for Financial Reporting

The Directors anticipate that the application of all the new and amendments to HKFRSs and interpretations will have no material impact on the consolidated financial statements of the Group in the foreseeable future.

4. REVENUE

Revenue represents the value of financial printing services rendered.

The following is an analysis of the Group's revenue from its financial printing services during the three months ended 31st December 2019 and 2020:

	For the three months ended 31st December	
	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
Listing-related documents	8,017	4,897
Periodical reporting documents	2,420	3,107
Compliance documents	3,482	3,675
Miscellaneous and marketing collaterals (Note)	75	263
	13,994	11,942

Note: Miscellaneous and marketing collaterals mainly include corporate brochures, leaflets, calendars and other marketing materials.

5. SEGMENT INFORMATION

HKFRS 8 *Operating Segments* requires identification and disclosure of operating segment information based on internal financial reports that are regularly reviewed by the executive Directors, being the chief operating decision maker, for the purpose of resources allocation and performance assessment. On this basis, the Group has determined that it only has one operating segment which is the provision of financial printing services.

In addition, all of the Group's revenue is generated in Hong Kong and all of the Group's assets and liabilities are located in Hong Kong. Accordingly, the Group does not present separately segment information.

6. OTHER INCOME

	For the three months ended 31st December	
	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
Bank interest income	87	44
Government grant — employment support scheme	951	—
	1,038	44

7. INCOME TAX EXPENSE

Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI.

No provision for Hong Kong profits tax has been made in these consolidated financial statements as the Group had no assessable profits for the period under review or had available tax losses brought forward from prior years to offset the assessable profits generated during the period under review (2019: HK\$Nil).

8. PROFIT/(LOSS) FOR THE PERIOD

Profit/(Loss) for the period has been arrived at after charging:

	For the three months ended 31st December	
	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
Employee benefits expense (including Directors' emoluments):		
Salaries and allowances	4,612	4,848
Pension scheme contributions	180	194
	4,792	5,042
Depreciation of property, plant and equipment	214	231
Depreciation of right-of-use assets included in cost of services	146	—
Depreciation of right-of-use assets included in administrative expenses	2,871	2,752
Finance costs — interest on lease liabilities included in cost of services	28	—
Finance costs — interest on lease liabilities included in finance costs	185	314
Minimum lease payments under operating leases	—	248

9. DIVIDENDS

The Board has resolved not to declare the payment of any dividend for the three months ended 31st December 2020 (HK\$Nil for the three months ended 31st December 2019).

10. EARNINGS/(LOSS) PER SHARE

The calculation of the basic earnings/(loss) per share attributable to the owners of the Company is based on the following data:

	For the three months ended 31st December	
	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
Earnings/(Loss):		
Profit/(Loss) attributable to owners of the Company for the purpose of calculating basic earnings/(loss) per share	1,406	(2,001)
	2020 '000	2019 '000
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic earnings/(loss) per share	1,000,000	1,000,000
	HK cent	HK cent
Basic and diluted earnings/(loss) per share	0.14	(0.20)

The diluted earnings/(loss) per share is equal to the basic earnings/(loss) per share as there were no potentially dilutive ordinary shares in issue during the periods.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

During the three months ended 31st December 2020, the revenue of the Group increased by approximately 17.6% as compared to that of the same period of last year, which was mainly attributable to the increase in revenue generated from the listing-related documents segment of approximately HK\$3.1 million from approximately HK\$4.9 million for the three months ended 31st December 2019 to approximately HK\$8.0 million for the three months ended 31st December 2020; despite the decreases in the revenue from (i) periodical reporting documents segment of approximately HK\$0.7 million from approximately HK\$3.1 million for the three months ended 31st December 2019 to approximately HK\$2.4 million for the three months ended 31st December 2020; (ii) compliance documents segment of approximately HK\$0.2 million from approximately HK\$3.7 million for the three months ended 31st December 2019 to approximately HK\$3.5 million for the three months ended 31st December 2020; and (iii) miscellaneous and marketing collaterals segment of approximately HK\$0.2 million from approximately HK\$0.3 million for the three months ended 31st December 2019 to approximately HK\$0.1 million for the three months ended 31st December 2020. Such increase was mainly due to the increase in the revenue generated from new customers successfully listed on the Stock Exchange for the three months ended 31st December 2020.

The short-term outlook for the global and Hong Kong economies remains uncertain and will be highly dependent on the duration of the COVID-19 outbreak. Nevertheless, the bright spot for the Company is that the Hong Kong initial public offering (“IPO”) market is expected to be strong and active in 2021, including a number of high profile secondary and biotech listings. Hong Kong IPO market should maintain its globally leading position in terms of fund raising size and that will foster the demand for financial printing services. Moreover, we treasure our existing customers and shall continue to provide the premium services to support their financial printing services needs for listing-related documents. EDICO has always been well-positioned to capitalize any market opportunities with its premium services and create the long-term values of our shareholders.

FINANCIAL REVIEW

REVENUE

The Group’s revenue increased from approximately HK\$11.9 million for the three months ended 31st December 2019 to approximately HK\$14.0 million for the three months ended 31st December 2020, representing an increase of approximately 17.6%. Segmentally, revenue generated from the listing-related documents increased by approximately HK\$3.1 million whereas revenue related to periodical reporting documents, compliance documents and miscellaneous and marketing collaterals decreased by approximately HK\$0.7 million, HK\$0.2 million and HK\$0.2 million, respectively. The increase in revenue was mainly attributable to the increase in the revenue generated from new customers successfully listed on the Stock Exchange for the three months ended 31st December 2020.

GROSS PROFIT

The Group’s gross profit increased by approximately 30.5% from approximately HK\$5.9 million for the three months ended 31st December 2019 to approximately HK\$7.7 million for the three months ended 31st December 2020. The change was in line with the increase in the revenue generated for the period under review.



OTHER INCOME

The Group's other income increased from HK\$44,000 for the three months ended 31st December 2019 to approximately HK\$1.0 million for the three months ended 31st December 2020. The change was mainly attributable to the receipt of one-off subsidies from the Employment Support Scheme under the Anti-epidemic Fund granted by the Government of the Hong Kong Special Administrative Region.

SELLING AND DISTRIBUTION EXPENSES

The Group's selling and distribution expenses remained relatively stable, which were approximately HK\$0.6 million for the three months ended 31st December 2019 and 2020.

ADMINISTRATIVE EXPENSES

The Group's administrative expenses decreased from approximately HK\$7.0 million for the three months ended 31st December 2019 to HK\$6.5 million for the three months ended 31st December 2020. The decrease was mainly attributable to a decrease in staff cost and repairs expenses of office.

FINANCE COSTS

The Group's finance costs represented interest on lease liabilities for the three months ended 31st December 2020 and three months ended 31st December 2019 due to the adoption of HKFRS 16.

INCOME TAX EXPENSE

There was no income tax expense for the Group for the three months ended 31st December 2020 as the Group had no assessable profits for the period under review or available tax losses brought forward from prior years (three months ended 31st December 2019: HK\$Nil).

PROFIT/(LOSS) FOR THE PERIOD

The Group recorded a loss of approximately HK\$2.0 million and a profit after tax of approximately HK\$1.4 million for the three months ended 31st December 2019 and 2020, respectively. The change was generally in line with the increase of the Group's revenue during the three months ended 31st December 2020.

FOREIGN CURRENCY EXPOSURE

Since the Group's business activities are solely operated in Hong Kong and mainly denominated in HK\$, the Directors consider that the Group's risk in foreign exchange is insignificant.

CAPITAL COMMITMENTS

As at 31st December 2020, apart from the implementation plans, capital needs and financing plans as stated in the sections headed "Future Plans and Use of Proceeds" and "Financial Information" of the Prospectus, the Group had no other new implementation or financing plans.

CONTINGENT LIABILITIES

The Group had no significant contingent liabilities as at 31st December 2020 (31st December 2019: HK\$Nil).

DIVIDEND

The Board has resolved not to declare the payment of any dividend for the three months ended 31st December 2020 (three months ended 31st December 2019: HK\$Nil).

EVENTS AFTER THE REPORTING PERIOD

The Board is not aware of any significant events requiring disclosure that have occurred after 31st December 2020 and up to the date of this report.

CORPORATE GOVERNANCE AND OTHER INFORMATION

DISCLOSURE OF INTERESTS

(A) INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVE IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31st December 2020, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the "SFO")), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

Long position in the Shares

Name of Director	Capacity	Nature of interests	Number of Shares held	Percentage of interest in the Company
Mr. Chan (Note)	Interest in a controlled corporation	Corporate interest	750,000,000	75%

Note: The Company is owned as to 75% by Achiever Choice which is wholly owned by Mr. Chan, the Chairman and an executive Director. Under the SFO, Mr. Chan is deemed to be interested in the same parcel of Shares held by Achiever Choice.

Long position in the ordinary shares of associated corporation

Name of Director	Name of associated corporation	Capacity	Nature of interests	Number of shares held	Percentage of interest in the company
Mr. Chan	Achiever Choice	Beneficial owner	Personal interest	1	100%

Save as disclosed above and so far as is known to the Directors, as at 31st December 2020, none of the Directors nor the chief executive of the Company had or was deemed to have any other interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), which had been (a) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, entered in the register referred to therein; or (c) notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules.

(B) INTERESTS OF SUBSTANTIAL SHAREHOLDERS OF THE COMPANY

As at 31st December 2020, so far as is known to the Directors, the following entity (not being a Director or the chief executive of the Company) had, or was deemed to have, interests or short positions (directly or indirectly) in the Shares or underlying Shares that would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO as follows:

Long position in the Shares

Name of shareholder	Capacity	Nature of interests	Number of Shares held	Percentage of interest in the Company
Achiever Choice (Note)	Beneficial owner	Personal interest	750,000,000	75%

Note: Achiever Choice is the beneficial owner of 750,000,000 Shares, representing 75% of the Company's issued share capital. Achiever Choice is wholly owned by Mr. Chan.

Save as disclosed above and so far as is known to the Directors, as at 31st December 2020, the Directors were not aware of any other entity which or person (other than a Director or the chief executive of the Company) who had, or was deemed to have, interests or short positions in the Shares or underlying Shares that had been disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

SHARE OPTION SCHEME

A share option scheme (the “Share Option Scheme”) was approved and conditionally adopted by the then sole shareholder of the Company by way of written resolutions on 16th January 2018. The Share Option Scheme became effective on the Listing Date. For the principal terms of the Share Option Scheme, please refer to “D. Share Option Scheme” in Appendix IV to the Prospectus.

As no share options have been granted by the Company under the Share Option Scheme since its adoption, there was no share option outstanding as at 31st December 2020 and no share options were exercised or cancelled or lapsed during the three months ended that date.

COMPETING INTERESTS

None of the Directors or the controlling shareholders (as defined in the GEM Listing Rules) of the Company or any of their respective close associates (as defined in the GEM Listing Rules) had any business or interest in a business that competed or might compete with the business of the Group and any other conflicts of interest which any such person had or might have with the Group during the three months ended 31st December 2020.

INTERESTS OF THE COMPLIANCE ADVISER

In accordance with Rule 6A.19 of the GEM Listing Rules, the Company has appointed Giraffe Capital Limited as its compliance adviser (the “**Compliance Adviser**”). The Compliance Adviser has declared its independence pursuant to Rule 6A.07 of the GEM Listing Rules. As notified by the Compliance Adviser, during the period from 1st October 2020 to 31st December 2020, except for the compliance adviser agreement entered into between the Company and the Compliance Adviser (the “**Agreement**”) concerning the fees payable by the Company to the Compliance Adviser for acting in such capacity, none of the Compliance Adviser or its directors, employees or close associates (as defined in the GEM Listing Rules) had any interests in the securities of the Company or any member of the Group (including options or rights to subscribe for such securities), which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules. The Agreement lapsed on 1st January 2021.

CORPORATE GOVERNANCE CODE

The Company endeavours to adopt prevailing best corporate governance practices. During the three months ended 31st December 2020, the Company had complied with all the code provisions of the Corporate Governance Code as contained in Appendix 15 to the GEM Listing Rules.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the three months ended 31st December 2020, the Company did not redeem any of its listed securities, nor did the Company and any of its subsidiaries purchase or sell such securities.

AUDIT COMMITTEE

The financial information contained in this report has not been audited by the independent auditor of the Company. Pursuant to Rule 5.28 of the GEM Listing Rules, the Company established the audit committee (the “**Audit Committee**”) with written terms of reference aligned with the code provisions set out in Appendix 15 to the GEM Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control and risk management systems of the Group. As at the date of this report, the Audit Committee comprises Mr. Li Wai Ming (chairman), Mr. Wan Chun Wai Andrew and Ms. Chan Chiu Yee Natalie, being the independent non-executive Directors.

The Audit Committee has reviewed the unaudited condensed consolidated results of the Group for the three months ended 31st December 2020 and this report and is of the opinion that such results have been prepared in compliance with the applicable accounting standards and the requirements under the GEM Listing Rules, and that adequate disclosures have been made.

By Order of the Board
EDICO Holdings Limited
Chan Tsang Tieh
Chairman and Executive Director

Hong Kong, 8th February 2021

As at the date of this report, the executive Directors are Mr. Chan Tsang Tieh (Chairman) and Mrs. Donati Chan Yi Mei Amy (Chief Executive Officer); and the independent non-executive Directors are Mr. Li Wai Ming, Mr. Wan Chun Wai Andrew and Ms. Chan Chiu Yee Natalie.